

THE TORONTO STOCK EXCHANGE

23/7/70

FILING STATEMENT NO. 1742
FILED, AUGUST 4TH, 1970.

OBASKA LAKE MINES LIMITED

Full corporate name of Company

Incorporated under Part I of The Companies Act, 1934, (Canada) by
letters patent dated December 16, 1942.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous
Filing Statement No. 1335 and
Amending Filing Statement No. 288.

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

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|--|--|---|--|---|-----------------------------|---|--|----------------------------------|--|---|--|--|--|----------|---|----------------------------|-----------------------------|--|---|----------|---|---|----------|--|---|-----------|-------------------------|--|-----------|---|---|--|
| 1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed. | <p>(a) Consolidation of capital, increase of capital and change of corporate name (See Item 20.);</p> <p>(b) Application for supplementary letters patent confirming above;</p> <p>(c) Underwriting and option of shares (See Item 6);</p> <p>(d) Changes in officers and directors (See Item 3);</p> <p>(e) Change in effective control (See Item 16);</p> <p>(f) Change in head office (See Item 2).</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Head office address and any other office address. | <p>The present head office address is the 3rd Floor, 34 Adelaide Street West, Toronto, but upon completion of the proposed underwriting referred to in Item 4, the head office address will be changed to Suite 2602, Royal Trust Tower, P.O. Box 27, Toronto-Dominion Centre, Toronto 111, Ontario.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors. | <table> <tr> <td>PRESIDENT AND DIRECTOR</td><td>WILLIAM WASHBOURNE DENNIS, 16 Cranleigh Court, Islington, Ontario.</td><td>He is and has been for the preceding five years a Prospector (self-employed).</td></tr> <tr> <td>VICE-PRESIDENT AND DIRECTOR</td><td>GEORGE DONALD PATTISON, R.R. No. 2, Aurora, Ontario</td><td>Chartered Accountant, Vice-President of Perry-Pattison Limited, Corporate Secretaries.</td></tr> <tr> <td>SECRETARY-TREASURER AND DIRECTOR</td><td>DONALD ARTHUR HUMBY, 1854 Bickford Drive, Clarkson, Ontario.</td><td>Chartered Accountant, Peat, Marwick, Mitchell & Co. to July 31, 1967; Sullivan Heating Limited to October 3, 1969; International Mogul Mines Ltd. since November, 1969.</td></tr> <tr> <td>ASSISTANT SECRETARY-TREASURER AND DIRECTOR</td><td>JOSEPH PAUL BRISBOIS, 39 Craigmere Cres., Willowdale, Ontario.</td><td>Chartered Accountant, Thorne, Gunn, Helliwell & Christenson to July 1st, 1967; Perry-Pattison Limited to December, 1968; International Mogul Mines Ltd. since January, 1969.</td></tr> <tr> <td>DIRECTOR</td><td>JOHN JEFFREY BURNS, 62 Connaught Street, Oshawa, Ontario.</td><td>Retired Industrial Broker.</td></tr> </table> <p>Upon completion of the proposed underwriting referred to in Item 4, Messrs. D. A. Humby, J.P. Brisbois and G. D. Pattison will resign as directors and officers of the Company and, it is proposed, will be replaced by the following persons:</p> <table> <tr> <td>VICE-PRESIDENT AND DIRECTOR</td><td>GEORGE TERENCE SMITH, 7 Ormsby Crescent, Toronto, Ontario.</td><td>Barrister and Solicitor, Vice-President and Counsel of Northgate Exploration Limited and Executive Vice-President since February, 1970.</td></tr> <tr> <td>DIRECTOR</td><td>MURRAY KEITH PICKARD, 82 Old Mill Road, Toronto, Ontario.</td><td>Mining Engineer and General Manager of subsidiary of Northgate Exploration Limited, Irish Base Metals Limited to July, 1966, Vice-President of Operations of Northgate Exploration Limited from July, 1966.</td></tr> <tr> <td>DIRECTOR</td><td>ORVILLE ALEXANDER SEEGER, 450 Walmer Road, Toronto, Ontario.</td><td>Mining Geologist, M. J. Boylen Engineering Services to December 31, 1969, Vice-President of Exploration of Northgate Exploration Limited since January 1, 1969.</td></tr> <tr> <td>SECRETARY</td><td>GEORGE WARREN ARMSTRONG</td><td>Barrister and Solicitor, Secretary of Northgate Exploration Limited.</td></tr> <tr> <td>TREASURER</td><td>JOHN ARTHUR PALMER, 18 Cortleigh Blvd., Toronto, Ontario.</td><td>Chartered Accountant, Treasurer, Westfield Minerals Limited to August, 1967 and Treasurer of Northgate Exploration Limited since September, 1967.</td></tr> </table> | PRESIDENT AND DIRECTOR | WILLIAM WASHBOURNE DENNIS, 16 Cranleigh Court, Islington, Ontario. | He is and has been for the preceding five years a Prospector (self-employed). | VICE-PRESIDENT AND DIRECTOR | GEORGE DONALD PATTISON, R.R. No. 2, Aurora, Ontario | Chartered Accountant, Vice-President of Perry-Pattison Limited, Corporate Secretaries. | SECRETARY-TREASURER AND DIRECTOR | DONALD ARTHUR HUMBY, 1854 Bickford Drive, Clarkson, Ontario. | Chartered Accountant, Peat, Marwick, Mitchell & Co. to July 31, 1967; Sullivan Heating Limited to October 3, 1969; International Mogul Mines Ltd. since November, 1969. | ASSISTANT SECRETARY-TREASURER AND DIRECTOR | JOSEPH PAUL BRISBOIS, 39 Craigmere Cres., Willowdale, Ontario. | Chartered Accountant, Thorne, Gunn, Helliwell & Christenson to July 1st, 1967; Perry-Pattison Limited to December, 1968; International Mogul Mines Ltd. since January, 1969. | DIRECTOR | JOHN JEFFREY BURNS, 62 Connaught Street, Oshawa, Ontario. | Retired Industrial Broker. | VICE-PRESIDENT AND DIRECTOR | GEORGE TERENCE SMITH, 7 Ormsby Crescent, Toronto, Ontario. | Barrister and Solicitor, Vice-President and Counsel of Northgate Exploration Limited and Executive Vice-President since February, 1970. | DIRECTOR | MURRAY KEITH PICKARD, 82 Old Mill Road, Toronto, Ontario. | Mining Engineer and General Manager of subsidiary of Northgate Exploration Limited, Irish Base Metals Limited to July, 1966, Vice-President of Operations of Northgate Exploration Limited from July, 1966. | DIRECTOR | ORVILLE ALEXANDER SEEGER, 450 Walmer Road, Toronto, Ontario. | Mining Geologist, M. J. Boylen Engineering Services to December 31, 1969, Vice-President of Exploration of Northgate Exploration Limited since January 1, 1969. | SECRETARY | GEORGE WARREN ARMSTRONG | Barrister and Solicitor, Secretary of Northgate Exploration Limited. | TREASURER | JOHN ARTHUR PALMER, 18 Cortleigh Blvd., Toronto, Ontario. | Chartered Accountant, Treasurer, Westfield Minerals Limited to August, 1967 and Treasurer of Northgate Exploration Limited since September, 1967. | |
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| <p>4. Share capitalization showing authorized and issued and outstanding capital.</p> | <p>AUTHORIZED: 5,000,000 shares without par value, ISSUED: 4,727,505 shares without par value.</p> <p>All issued shares are fully paid and non-assessable.</p> <p>Subject to the issue of supplementary letters patent confirming By-Law Number Eleven, the shares will be consolidated on a one (1) for five (5) basis and the authorized capital increased to five million (5,000,000) shares without nominal or par value, of which 945,501 shall be issued and outstanding as fully paid and non-assessable. Upon completion of the underwriting referred to in Item 6, the issued and outstanding share capital will be 1,070,501.</p> |
| <p>5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.</p> | <p>There are no bonds, debentures, notes, mortgages, charges, liens or hypothecations of the Company, outstanding or proposed at this time.</p> |
| <p>6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.</p> | <p>By letter agreement dated July 8, 1970 between Northgate Exploration Limited (herein sometimes called "Northgate") and the Company, Northgate, subject to the Company obtaining supplementary letters patent confirming By-Law Number Eleven, being "A by-law consolidating shares, increasing capital, changing the name and authorizing application for supplementary letters patent", and to the Company obtaining the approval or concurrence of other applicable governmental and regulatory authorities including without limitation The Toronto Stock Exchange, has agreed to purchase 125,000 treasury shares at the price of 85¢ per share. The Company has agreed to grant Northgate an option to purchase 62,500 treasury shares at the price of 85¢ per share, such option to be for a term of six (6) months from the date of payment of the purchase price of the said 125,000 shares or for such shorter period as may be permitted by The Toronto Stock Exchange.</p> <p>Northgate has acknowledged that it is purchasing the 125,000 shares of the Company solely for investment and not with a view to resale or distribution and no sale shall be made within six (6) months from the date of purchase and thereafter, if any sale of the shares is to be made in the Province of Ontario, such shares shall only be sold upon compliance with the provisions of The Securities Act, 1966 and other then applicable regulations.</p> <p>Northgate has advised the Company that it does not now own any shares of the Company.</p> |
| <p>7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.</p> | <p>None except the shareholders of Northgate.</p> |

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|---|---|
| 8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition. | No payments in cash or securities of the Company have been made or are to be made to a promoter or finder in connection with the proposed underwriting and option. |
| 9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any. | <p>The Company proposes:</p> <p>(a) to continue its current exploration programme on the two (2) groups consisting of fifty-four (54) mining claims in the Granville Lake Area, Manitoba, of which one (1) group consists of thirty (30) claims acquired for \$5,000 cash and the second (2nd) group consists of twenty-four (24) claims held under option on which \$11,250 cash has been paid to date;</p> <p>(b) if the results of such work programme warrant, to exercise the option to acquire the group of twenty-four (24) claims referred to in (a) for a further \$18,750 in cash, the Company having paid the sum of \$11,250, together with 450,000 shares of the authorized capital of a company to be incorporated;</p> <p>(c) to pay for an exploration programme on the twenty-five (25) mining claims staked by the Company in the Sturgeon Lake Area at an estimated cost of \$29,000;</p> <p>(d) to pay the general administrative and corporate expenses, including the costs incidental to the corporate re-organization and preparation of this filing statement; and</p> <p>(e) if funds are available and it is considered advisable to do so, the Company may option or otherwise acquire other properties of merit from time to time.</p> |
| 10. Brief statement of company's chief development work during past year. | <p>The Company has carried out geophysical and geological mapping programmes, prospecting and diamond drilling on the two (2) groups of mining claims in the Granville Lake Area, Manitoba. A total 2,200 feet of diamond drilling has now been completed with no significant results.</p> |
| 11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid. | <p>The Company does not at this date intend to purchase any property or assets, but if the results of the work programme presently in progress in the Granville Lake Area warrant, the Company will exercise the option to purchase twenty-four (24) claims held under option from George Ross Kidd, 81 Highbourne Road, Toronto, at an aggregate cost of \$30,000 cash, together with 450,000 shares of a 3,000,000 share company to be incorporated, 300,000 of the said 450,000 shares to be allotted to the said George Ross Kidd and the balance, namely 150,000 of the said shares to Charles Mellon, Lynn Lake, Manitoba. Of the aggregate cash payment, \$11,250 has been paid and \$18,750 is due on or before June 30, 1971. To the knowledge of the Company, no person, other than Messrs. Kidd and Mellon, is entitled to any part of the purchase consideration, if the said option is exercised, nor are either Messrs. Kidd or Mellon insiders or promoters or associates or affiliates of an insider or promoter of the Company.</p> |

| 12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company. | See Item 11 above. | | | | | | | | | | | | |
|--|--|------------------|---------------|--|---------|---|---------|---|---------|--|---------|--|---------|
| 13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement. | There are presently no shares of the Company pooled or held in escrow. | | | | | | | | | | | | |
| 14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.) | Not applicable. Reference is made to Item 13. | | | | | | | | | | | | |
| 15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state. | <p>The following shareholders, as of June 18th, 1970, owned of record more than 5% of the issued capital:</p> <table> <thead> <tr> <th data-bbox="569 992 835 1018">Name and Address</th><th data-bbox="1326 992 1541 1018">No. of Shares</th></tr> </thead> <tbody> <tr> <td data-bbox="503 1045 961 1138">* Davidson & Co., 25 Adelaide Street West, Toronto 1, Ontario.</td><td data-bbox="1376 1045 1494 1071">313,450</td></tr> <tr> <td data-bbox="503 1151 945 1244">* J. C. L. Allen Limited, 112 King Street West, Toronto 1, Ontario.</td><td data-bbox="1376 1151 1494 1178">245,900</td></tr> <tr> <td data-bbox="569 1258 882 1351">W. W. Dennis, 16 Cranleigh Court, Islington, Ontario.</td><td data-bbox="1376 1258 1494 1284">200,004</td></tr> <tr> <td data-bbox="503 1364 1023 1457">* T. A. Richardson & Co. Ltd., 4 King Street West, Toronto 1, Ontario.</td><td data-bbox="1376 1364 1494 1391">167,310</td></tr> <tr> <td data-bbox="503 1470 1055 1564">* Goodwin, Harris & Co. Limited, 347 Bay Street, Toronto 1, Ontario.</td><td data-bbox="1376 1470 1494 1497">151,500</td></tr> </tbody> </table> <p data-bbox="569 1657 1384 1683">* Beneficial ownership not known to the Company.</p> <p data-bbox="503 1710 1415 1856">Reference is made to Item 7. Northgate will upon completion of the proposed underwriting beneficially own 125,000 shares of the Company of an outstanding capital of 1,070,501 shares after giving effect to the proposed consolidation.</p> | Name and Address | No. of Shares | * Davidson & Co., 25 Adelaide Street West, Toronto 1, Ontario. | 313,450 | * J. C. L. Allen Limited, 112 King Street West, Toronto 1, Ontario. | 245,900 | W. W. Dennis, 16 Cranleigh Court, Islington, Ontario. | 200,004 | * T. A. Richardson & Co. Ltd., 4 King Street West, Toronto 1, Ontario. | 167,310 | * Goodwin, Harris & Co. Limited, 347 Bay Street, Toronto 1, Ontario. | 151,500 |
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| * J. C. L. Allen Limited, 112 King Street West, Toronto 1, Ontario. | 245,900 | | | | | | | | | | | | |
| W. W. Dennis, 16 Cranleigh Court, Islington, Ontario. | 200,004 | | | | | | | | | | | | |
| * T. A. Richardson & Co. Ltd., 4 King Street West, Toronto 1, Ontario. | 167,310 | | | | | | | | | | | | |
| * Goodwin, Harris & Co. Limited, 347 Bay Street, Toronto 1, Ontario. | 151,500 | | | | | | | | | | | | |
| 16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company. | No person, or related group of persons, at this date, holds sufficient shares to materially affect control of the Company, but after giving effect to the agreement referred to in Item 6, Northgate Exploration Limited, Suite 2602, Royal Trust Tower, Toronto-Dominion Centre, Toronto 111, Ontario may hold sufficient shares to materially affect control of the Company. | | | | | | | | | | | | |
| 17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value. | The Company owns 510,000 shares of Akasaba Gold Mines Limited at an aggregate cost of \$59,851.24. There is no quoted market for these shares. | | | | | | | | | | | | |

FINANCIAL STATEMENTS

OBASKA LAKE MINES LIMITED
(Incorporated under the laws of Canada)

BALANCE SHEET

June 30, 1970

- ASSETS -

| | | |
|--|------------------|---------------------|
| Current assets | | |
| Cash on deposit | 91,841.37 | |
| Accountable advances | <u>1,000.00</u> | 92,841.37 |
| Investment in shares of another mining company, at cost (no quoted market value) | | 59,851.24 |
| Mining assets | | |
| Mining properties and option, at cost (see note) | 20,250.00 | |
| Deferred exploration and development expenses | <u>23,063.81</u> | <u>43,313.81</u> |
| | | <u>\$196,006.42</u> |

- LIABILITIES -

| | |
|---------------------------------------|-----------|
| Current liabilities | |
| Accounts payable and accrued expenses | 10,993.06 |

- SHAREHOLDERS' EQUITY -

| | |
|--|---------------------|
| Capital stock | |
| Authorized, 5,000,000 shares of no par value | |
| Issued, 4,727,505 shares | 725,630.00 |
| Deficit | <u>540,616.64</u> |
| | <u>\$196,006.42</u> |

Approved on behalf of the Board

W.W. Dennis
Director

P. J. Saurin
Director

STATEMENT OF DEFICIT

For the six months ended June 30, 1970

| | |
|---|---------------------|
| Balance, beginning of period | 506,125.40 |
| Option on 8 mining claims in Galinee Township, Quebec and cost of exploration work, abandoned | 30,482.55 |
| Cost of 10 claims in Berthier Township, Quebec, abandoned | 1,000.00 |
| General prospecting expenses | 545.43 |
| Administration expenses | <u>2,463.26</u> |
| Balance, end of period | <u>\$540,616.64</u> |

STATEMENT OF ADMINISTRATION EXPENSES

For the six months ended June 30, 1970

| | |
|---------------------------------------|--------------------|
| Legal and audit | 757.53 |
| Administration fee | 900.00 |
| Shareholders' information and reports | 1,305.11 |
| Stock transfer expense | 964.37 |
| Postage and office expense | 65.83 |
| Government fees and taxes | 146.07 |
| Filing and listing fees | 550.00 |
| Directors' fees | <u>525.00</u> |
| | <u>5,213.91</u> |
| Less: Interest earned | <u>2,750.65</u> |
| Transferred to deficit | <u>\$ 2,463.26</u> |

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENSES

For the six months ended June 30, 1970

| | | |
|--|-----------|--------------------|
| Ruttan Lake Area, Granville Mining Division, Manitoba | | |
| Diamond drilling | 10,000.00 | |
| Surveying | 7,110.00 | |
| Linecutting | 3,750.00 | |
| Travel and transportation | 981.82 | |
| Consulting | 423.73 | |
| General | 660.76 | 22,926.31 |
| Sturgeon Lake Area, Patricia Mining Division, Ontario | | |
| Government fees | | 137.50 |
| | | <u>\$23,063.81</u> |

NOTE TO FINANCIAL STATEMENTS

June 30, 1970

Mining properties consist of the following:

- 1) Option on 24 mining claims in the Ruttan Lake Area, Granville Lake Mining Division, Manitoba.
To fully exercise its option, the Company is required to make a further cash payment of \$18,750.00 on or before June 30, 1971 and cause to be issued to the optionors 450,000 shares of a new 3,000,000 share company to be incorporated before September 30, 1971 to acquire the mining claims. 11,250.00
 - 2) 30 mining claims in the Ruttan Lake Area, Granville Mining Division, Manitoba, acquired for cash 5,000.00
 - 3) 22½% interest in 100 mining claims, Mistassini Lake Area, Lac Naococane Map Area, Quebec, acquired for cash 2,500.00
 - 4) 25 mining claims in the Sturgeon Lake Area, Patricia Mining Division, Ontario, acquired by staking 1,500.00
- \$20,250.00

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the six months ended June 30, 1970

| | | |
|---|-----------|--------------------|
| Source | | |
| Interest earned | 2,750.65 | |
| Sale of 350,000 shares of capital stock | 52,500.00 | 55,250.65 |
| Application | | |
| General prospecting expenses | 545.43 | |
| Deferred exploration and development expenses | 23,063.81 | |
| Administration expenses | 5,213.91 | |
| Option payment on mining properties | 3,750.00 | 32,573.15 |
| Increase in working capital | | 22,677.50 |
| Working capital, beginning of period | | 60,670.81 |
| Working capital, end of period | | <u>\$83,348.31</u> |

Approved on behalf of the Board

W.D. Dennis
Director

J. J. J. J.
Director

ENGINEER'S REPORT

NOTE: The following are excerpts are from a report by R. Kidd, P.Eng. dated July 6th, 1970 on mining claims located in Sturgeon Lake Area Factor Township, Patricia Mining Division, District of Kenora, Ontario, and Ruttan Lake Area of Manitoba. A complete copy of this report is on file with the Toronto Stock Exchange.

RUTTAN LAKE PROPERTY

THE PROPERTY IS MADE UP OF 24 TOP CLAIMS PLUS CLAIM BLOCKS 960 AND 961. GEOPHYSICAL SURVEYS CONDUCTED LAST WINTER LOCATED SOME 30 CONDUCTORS, OF WHICH FIVE WERE RECOMMENDED FOR DRILLING. FOUR OF THE RECOMMENDED DRILL HOLES ARE ON THE TOP CLAIMS, AND DRILLING OF THESE HOLES IS NOW PROCEEDING.

THIS REPORT IS CONCERNED WITH CLAIM BLOCKS 960 AND 961. TWO OF THE FIFTEEN CONDUCTORS ON THESE CLAIM BLOCKS WERE SELECTED FOR DRILLING, AND HOLES 5 AND 6 WERE RECOMMENDED. IT WAS ALSO RECOMMENDED THAT THE BLOCKS SHOULD BE MAPPED GEOLOGICALLY, AND ALSO CAREFULLY PROSPECTED, WITH THE OBJECT OF PROVIDING NEW INFORMATION OF VALUE IN EVALUATING THE GEOPHYSICAL RESULTS.

IT IS NOW RECOMMENDED THAT THIS WORK SHOULD BE CARRIED OUT, AND IT IS EXPECTED THAT, AS A RESULT OF THE NEW DATA, ADDITIONAL DRILLING WILL BE NEEDED TO TEST ALL THE POSSIBILITIES OF THE PROPERTY.

STURGEON LAKE PROPERTY

THE PROPERTY LIES WITHIN THE WEST SECTION OF THE GREENSTONE BELT IN WHICH THE MATTAGAMI LAKE OREBODY OCCURS.

THE AEROMAGNETIC SETTING OF THE CLAIMS HAS BASIC SIMILARITIES TO THAT OF THE MATTAGAMI LAKE OREBODY.

NO SIGNIFICANT WORK IS KNOWN TO HAVE BEEN DONE ON THE PROPERTY TO DATE.

A PRELIMINARY EXPLORATION PROGRAM FOR BASE METAL SULFIDES IS RECOMMENDED.

PREVIOUS WORK

BOTH PROPERTIES HAVE PROBABLY BEEN PROSPECTED AT ONE TIME OR ANOTHER IN THE PAST, SINCE NOT MANY GREENSTONE BELTS HAVE BEEN MISSED BY CANADIAN PROSPECTORS.

THREE SHORT PICKET LINES DATING ABOUT 1969 WERE SEEN ON THE RUTTAN LAKE PROPERTY. NO EVIDENCE OF WIDESPREAD LINECUTTING WAS SEEN ON EITHER PROPERTY, AND IT IS LIKELY THAT NO GROUND GEOPHYSICAL SURVEYS OF CONSEQUENCE HAVE PREVIOUSLY BEEN CARRIED OUT. NO DRILL ROADS OR DRILL HOLE SETUPS WERE SEEN.

DOUBTLESS AIRBORNE GEOPHYSICAL WORK HAS BEEN DONE OVER BOTH PROPERTIES, AND THE RUTTAN LAKE PICKET LINES WERE PROBABLY PUT IN AS A FOLLOW-UP TO AIRBORNE WORK. NO DATA FROM THIS WORK IS AVAILABLE EXCEPT FOR THE AEROMAGNETIC MAPS OF THE GEOLOGICAL SURVEY OF CANADA. THE AEROMAGNETIC MAP COVERING THE STURGEON LAKE CLAIMS ACCOMPANIES THIS REPORT.

GROUND ELECTROMAGNETIC AND MAGNETIC SURVEYS WERE CARRIED OUT EARLIER THIS YEAR ON THE RUTTAN LAKE CLAIM BLOCKS, AND THE RESULTS ARE DISCUSSED ON THE NEXT PAGE.

DISCUSSION OF GEOPHYSICAL RESULTS - RUTTAN LAKE PROPERTY

FIFTEEN ELECTRICAL CONDUCTORS AND NUMEROUS MAGNETIC HIGHS WERE LOCATED ON CLAIM BLOCKS 960 AND 961 BY THE GEOPHYSICAL WORK DONE EARLIER THIS YEAR.

TWO OF THESE CONDUCTORS, SHOWN ON THE MAP AS CONDUCTOR "B" AND CONDUCTOR "C", ARE SELECTED, BY REASON OF THEIR CONDUCTIVE CHARACTERISTICS, TO BE THOSE FEATURES MOST LIKELY TO REPRESENT SULFIDE MINERALIZATION.

IT IS CONSIDERED THAT THE REMAINING CONDUCTORS ARE PROBABLY DUE TO OVERBURDEN EFFECTS. IT SHOULD BE KEPT IN MIND, HOWEVER, THAT THIS IS NOT A COMPLETELY POSITIVE INTERPRETATION. IF FURTHER WORK ON THE PROPERTY POINTS TO A PARTICULAR SECTION AS HAVING GEOLOGICAL OR MINERALOGICAL IMPORTANCE, THEN THE CONDUCTORS IN THAT SECTION SHOULD BE RE-EVALUATED.

THE MAGNETIC RESULTS ARE QUITE COMPLEX. IT IS THOUGHT THAT THE MANY MAGNETIC ANOMALIES RESULT FROM ONE OR MORE VOLCANIC FLOWS WHICH ARE MORE MAGNETIC THAN THE OTHER FLOWS, AND THAT THE MAGNETIC COMPLEXITY REFLECTS FOLDING OF THE FLOW ROCKS, AND PROBABLY FAULTING AS WELL.

THE MAGNETIC RESULTS MAY BE OF GREAT HELP IN ESTABLISHING THE GEOLOGICAL STRUCTURES, WHEN USED IN CONJUNCTION WITH GEOLOGICAL MAPPING.

TWO DRILL HOLES, SHOWN ON THE MAP AS HOLES NO. 5 AND NO. 6, ARE RECOMMENDED TO TEST THE "C" AND "B" CONDUCTORS, AT RUTTAN LAKE.

DISCUSSION OF AEROMAGNETIC DATA - STURGEON LAKE PROPERTY

THE STURGEON LAKE CLAIMS COVER MUCH OF A LARGE AEROMAGNETIC LOW. THIS LOW LIES ON THE FLANK OF A MODERATE MAGNETIC HIGH. NEITHER THE LOW NOR THE HIGH ARE ASSOCIATED WITH THE GRANITE CONTACTS OF THE GREEN-STONE BELT.

SOMETHING OF THE SAME AEROMAGNETIC SETTING OCCURS IN THE VICINITY OF THE MATTAGAMI LAKE OREBODY. REFERENCE TO THE "BELL LAKE" AEROMAGNETIC SHEET (MAP 1117g) SHOWS THAT THE OREBODY OCCURS WITHIN A GROUP OF SMALL MAGNETIC LOWS AND HIGHS OF SMALL AMPLITUDE LYING ON THE FLANK OF A STRONG MAGNETIC HIGH.

THE MATTAGAMI LAKE SETTING ALSO IS NOT ASSOCIATED WITH GRANITE CONTACTS.

THE OBASKA LOW LIES ON THE NORTH FLANK OF A MAGNETIC HIGH, WHILE THE MATTAGAMI LAKE LOWS LIE ON THE SOUTH FLANK OF A MAGNETIC HIGH.

CONCLUSIONS

1. THE RUTTAN LAKE CLAIM BLOCKS CONTAIN FIFTEEN ELECTRICAL CONDUCTORS, OF WHICH TWO HAVE BEEN SELECTED AS THOSE MOST LIKELY TO REPRESENT SULFIDE CONDUCTIVITY.

IT SHOULD BE KEPT IN MIND, HOWEVER, THAT SOME OF THE OTHER CONDUCTORS MAY HAVE IMPORTANCE AS WELL, AND THEY SHOULD BE CONTINUALLY RE-EVALUATED AS KNOWLEDGE OF THE AREA GROWS.

2. THE MAGNETIC RESULTS AT RUTTAN LAKE ARE NOT THOUGHT TO BE DIRECTLY INDICATIVE OF SULFIDE MINERALIZATION.
3. THE STURGEON LAKE CLAIMS COVER GEOLOGICAL FORMATIONS IN THE SAME GEOLOGICAL BELT AS THAT WHICH HOSTS THE MAJOR ZINC-COPPER DISCOVERY OF MATTAGAMI LAKE MINES LIMITED. LITTLE OTHER GEOLOGICAL DATA IS AVAILABLE.
4. THE MAGNETIC SETTING HAS BASIC SIMILARITIES TO THAT OF THE MATTAGAMI LAKE OREBODY.
5. PRELIMINARY EXPLORATION OF THE STURGEON LAKE CLAIMS IS WELL WARRANTED, WITH THE OBJECT OF FINDING BASE METAL SULFIDES.
6. THE TWO SELECTED CONDUCTORS AT RUTTAN LAKE SHOULD BE DRILLED.
7. IN ADDITION, THE RUTTAN LAKE PROPERTY SHOULD BE MAPPED GEOLOGICALLY AND CAREFULLY PROSPECTED, WITH THE OBJECT OF RE-EVALUATING THE GEOPHYSICAL RESULTS, AND ALSO OF ESTABLISHING THOSE SECTIONS OF THE PROPERTY WHICH ARE GEOLOGICALLY MOST FAVORABLE.

RECOMMENDATIONS - RUTTAN LAKE

1. GEOLOGICAL MAPPING.
2. PROSPECTING.
3. DIAMOND DRILLING OF HOLES NO. 5 AND 6.
4. FURTHER DRILLING, AS THE GEOLOGICAL AND PROSPECTING RESULTS ARE EVALUATED IN CONJUNCTION WITH THE GEOPHYSICAL RESULTS.

COST ESTIMATES - RUTTAN LAKE

| | |
|----------------------------------|------------------|
| 1. GEOLOGICAL MAPPING | \$ 5,000.00 |
| 2. PROSPECTING | 3,000.00 |
| 3. 800 FEET DRILLING @ \$10.00.. | 8,000.00 |
| 4. 3,000 FEET DRILLING @ 8.00.. | <u>24,000.00</u> |
| TOTAL COST ESTIMATE..... | \$40,000.00 |

RECOMMENDATIONS - STURGEON LAKE PROPERTY

1. LINECUTTING, AT 400 FOOT LINE SPACING.
2. ELECTROMAGNETIC SURVEY.
3. MAGNETIC SURVEY.
4. GEOLOGICAL MAPPING.
5. PROSPECTING.
6. DIAMOND DRILLING.

COST ESTIMATES - STURGEON LAKE

| | |
|---|---------------------|
| 1. LINECUTTING: 30 MILES @ \$100.00 | \$ 3,000.00 |
| 2. EM SURVEY: 25 MILES @ \$100.00 | 2,500.00 |
| 3. MAGNETIC SURVEY: 25 MILES @ \$60.00.. | 1,500.00 |
| 4. GEOLOGICAL MAPPING: | 4,000.00 |
| 5. PROSPECTING | 2,000.00 |
| 6. 2,000 FEET DRILLING (ESTIMATED) @ \$8.00 PER FOOT | 16,000.00 |
| TOTAL COST ESTIMATE.... | <u>\$ 29,000.00</u> |

SUM OF THE COST ESTIMATES FOR THE RUTTAN LAKE

| | |
|------------------------------------|---------------------|
| AND STURGEON LAKE PROPERTIES | \$ 40,000.00 |
| | <u>29,000.00</u> |
| | <u>\$ 69,000.00</u> |



Ross Kidd

TORONTO, ONTARIO
JULY 6TH, 1970

ROSS KIDD, P. ENG.
CONSULTING MINING ENGINEER

C E R T I F I C A T E

I, ROSS KIDD, OF THE CITY OF TORONTO, IN
THE PROVINCE OF ONTARIO, DO HEREBY CERTIFY THAT:

1. I AM A CONSULTING MINING ENGINEER RESIDING AT
81 HIGHBOURNE ROAD, TORONTO 7, ONTARIO.
2. I AM A GRADUATE OF THE UNIVERSITY OF TORONTO IN
MINING ENGINEERING, 1949.
3. I HAVE BEEN PRACTISING MY PROFESSION SINCE GRADUATION.
4. I AM A MEMBER IN GOOD STANDING OF THE ASSOCIATIONS OF
PROFESSIONAL ENGINEERS OF ONTARIO, MANITOBA, AND
BRITISH COLUMBIA.
5. I HAVE NO INTEREST, DIRECT OR INDIRECT, NOR DO I
EXPECT TO RECEIVE ANY INTEREST, DIRECT OR INDIRECT,
IN THE SECURITIES OF OBASKA LAKE MINES LIMITED OR
IN CLAIM BLOCKS 960 AND 961 NEAR RUTTAN LAKE OR IN
THE CLAIMS DESCRIBED IN THIS REPORT AS THE STURGEON
LAKE PROPERTY.
6. THIS REPORT IS BASED UPON WORK DONE ON THE RUTTAN LAKE
PROPERTY EARLIER THIS YEAR, UPON SEVERAL VISITS TO THE
STURGEON LAKE AREA, AND UPON INFORMATION CONTAINED IN
THE REFERENCES LISTED ON PAGE 1 OF THIS REPORT.
7. I AM THE OPTIONER OF THE TWENTY-FOUR TOP MINING
CLAIMS WHICH ADJOIN CLAIM BLOCK NO. 960 ON THE
WEST. OBASKA LAKE MINES LIMITED IS THE OPTIONEE
OF THE 24 TOP CLAIMS. "



TORONTO, ONTARIO
JULY 6TH, 1970

Ross Kidd
ROSS KIDD, P. ENG.
MINING ENGINEER

| | |
|---|--|
| 18. Brief statement of any lawsuits pending or in process against company or its properties. | There are no lawsuits pending or in process against the Company or its properties. |
| 19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing. | There is none which is not disclosed in this Filing Statement except a diamond drilling contract dated June 9, 1970 between the Company and Griffith Bros. Limited in respect of the Granville Lake Area property, Manitoba. |
| 20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public. | <p>A special general meeting of shareholders has been called for August 4, 1970 to consider and if thought fit, confirm and sanction By-law Number Eleven passed by the directors on July 9, 1970, which by-law provides for consolidating the issued and unissued shares of the Company from 5,000,000 shares to 1,000,000 shares of which 945,501 shares shall be issued and outstanding as fully paid and non-assessable, changing the name of the Company to International Obaska Mines Limited, increasing the capital of the Company after giving effect to the aforesaid consolidation from 1,000,000 shares to 5,000,000 shares and authorizing an application for supplementary letters patent confirming the by-law. Such by-law will only take effect if sanctioned and confirmed by at least two-thirds of the shareholders present in person or by proxy at the said meeting. The shareholders at the said meeting will also be requested to confirm and sanction By-law Number Twelve, being "A by-law deleting and replacing the provisions of Paragraph 31 of By-Law Number One of the Company which relates to share certificates of the Company. The principal purpose of this By-law is to delete the necessity of affixing the corporate seal to share certificates.</p> <p>No shares of the Company are in the course of primary distribution to the public. There are no other material facts.</p> |

DATED July 22, 1970.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

" G. D. Pattison "

" D. A. Humby "

OBASKA LAKE MINES LIMITED

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within our ~~xxx~~ knowledge, we have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

